

SCHOOL DISTRICT FLYER

Issue 28

A Newsletter of the Office of the Auditor General

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USFR CHART OF ACCOUNTS REVISION

The revised Chart of Accounts issued in December 2001 includes the new Classroom Site Funds-Base Salary—011, Performance Pay—012, and Other—013, as well as eight other funds that were created by statute since 1998. In addition, several inter-fund transfer account codes were added and other account code descriptions were clarified to help ensure proper coding.



The revised chart was effective immediately, with two exceptions. Three sub-object codes under Object Code 6730—Equipment and two sub-object codes under Object Code 6850—Redemption of Principal will be required as of July 1, 2002.

As a reminder, required account code numbers are shown in bold in the chart and districts must code transactions down to that required level, as applicable.



The chart is available to download in Microsoft Word from our Web site at www.auditorgen.state.az.us/manuals.htm.

DIVISION OF SCHOOL AUDITS

Our Division of School Audits (DSA), formerly known as the school-wide audit team, published two reports on March 1, 2002. One report provided a statewide look at each district's planned use of Proposition 301 monies. The second report determined a baseline percentage of districts' dollars spent in the classroom. These DSA reports are available to download from our



Web site. Beginning next fiscal year, DSA will issue reports for performance audits of school districts that will be focused on helping to identify ways to redirect dollars into the classroom.

SINGLE AUDIT REPORTS DUE DATE

As required by the *Single Audit Act Amendments of 1996*, FY 2000-2001 single audit reports are due by March 31, 2002. Districts that are required to have a single audit for FY 2000-2001, that have not already submitted these reports to our Office, should do so as soon as possible to avoid receiving a 90-day letter. Also, districts that have not already contracted for a single audit for FY 2000-2001 should do so immediately.



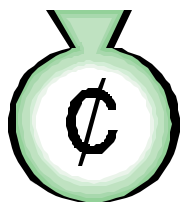
A copy of the proposed audit contract must be sent to our Office for approval before being signed and any audit work begins. See USFR Memorandum No.158—School District Single Audits for more information.

BUDGET REVISIONS

Revisions to the adopted expenditure budget for fiscal year 2001-02 must be made and approved by the Governing Board before May 15, 2002. A USFR Memorandum will be issued in April with detailed instructions on budget revisions.



UPDATE ON REIMBURSEMENT OF TRAVEL EXPENSES



The Arizona Department of Administration (DOA) has decided not to raise the mileage reimbursement rate to the federal rate of 36.5 cents since the new federal rate was calculated based on the higher gas prices several months ago. DOA will monitor trends in gasoline prices locally and advise the Joint Legislative Budget Committee if the mileage rate needs to be increased in the future. Therefore, the state mileage reimbursement rate will remain at 34.5 cents as indicated in USFR Memorandum No. 176—Reimbursement of Travel Expenses.

Questions & Answers

Question: What function and object codes should be used to record expenditures for staff training?

Answer: Teacher training should be coded to Function 2210—Improvement of Instruction Services. All other employee training expenditures should be charged to Function 2830—Staff Services. Employee training charges paid to outside parties should be coded to Object Code 6300—Purchased Professional and Technical Services.

Question: How must a district use tax credit monies?

Answer: Districts must use tax credit monies for both the school and purpose intended by the taxpayer. To qualify for the tax credit, the purpose must be in support of character education programs [defined in Arizona Revised Statutes (A.R.S.) §15-719] or extracurricular activities. Extracurricular activities are defined in A.R.S. §43-1089.01(D) as “school sponsored activities that require enrolled



students to pay a fee in order to participate including fees for band uniforms, equipment or uniforms for varsity athletic activities, and scientific laboratory materials.” An extracurricular activity is further defined in A.R.S. §15-342(24) as “any optional, noncredit, educational or recreational activity which supplements the education program of the school, whether offered before, during or after regular school hours.”

SPOTLIGHT ON ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS WEB SITE



Arizona State Library, Archives and Public Records Management Division's Web site is www.lib.az.us. The Records Management Division publishes a

records management manual for school districts. This manual contains standard records retention and disposition schedules by school district functions with the types of documents that should be retained and their applicable retention periods. Copies of this manual are available to school districts at no charge and may be obtained by contacting the Records Management Division at rmd@lib.az.us.

The Web site also includes information on training classes offered by the Division for proper retention of records and provides the telephone numbers and Web sites for agencies where public records can be found.

USFR MEMORANDUM UPDATE

Since our last newsletter, we issued USFR Memorandum No. 185 on guidance for coding expenditures in the Maintenance and Operation, Unrestricted Capital Outlay, and Soft Capital Allocation Funds.



If you need a copy of this or any current USFR Memorandum, please visit our Web site at www.auditor.gen.state.az.us/manuals.htm or call the Accounting Services Division of our Office at (602) 553-0333.